

PRESS RELEASE



**United States Senate
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FOR IMMEDIATE RELEASE

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**SENATE ARMED SERVICES COMMITTEE COMPLETES CONFERENCE OF
NATIONAL DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 2008**

Senator Carl Levin (D-MI), Chairman of the Senate Armed Services Committee, announced that the Senate and House Conferees reached agreement on the National Defense Authorization Act for Fiscal Year (FY) 2008. The bill authorizes funding for the Department of Defense and the national security programs of the Department of Energy.

"I am pleased that this strong, bipartisan conference report contains a number of provisions to improve the quality of life for our men and women in uniform," Chairman Levin said.

Levin added. "This conference report includes the Wounded Warrior Act, which will address the substandard living conditions, poor outpatient care and bureaucratic roadblocks and delays faced by injured soldiers at Walter Reed Army Medical Center and elsewhere. These provisions will dramatically improve the management of medical care, disability evaluations, personnel actions, and the quality of life for service members recovering from illness or injuries incurred while performing their military duties and begin the process of fundamental reform of DoD and VA disability evaluation systems."

Levin also added, "the conference report also includes the Acquisition

Improvement and Accountability Act of 2007, which will be the most far-reaching acquisition reform measure approved by Congress in more than a decade. This Act would require, for the first time, that private security contractors hired by the State Department and other federal agencies to work in a war zone comply with directives and orders issued by our military commanders as well as with DoD regulations. It would also establish a new acquisition workforce fund to hire the new employees the Department needs to manage its contracts properly. These and other provisions should go a long way toward addressing the contracting waste, fraud and abuse that we have seen altogether too frequently in recent years.”

Levin concluded, “I am, however, deeply disappointed that the conference report does not include the hate crimes provision that was adopted by the Senate. Its inclusion would have been a fitting tribute to the men and women of the armed forces who put their lives on the line to defend the values of our Nation which the hate crimes provision advances.”

CONFERENCE REPORT HIGHLIGHTS

The conferees included several major provisions in the National Defense Authorization Act for Fiscal Year 2008. Specifically, the conferees:

- Authorized a 3.5 percent across-the-board pay raise for all uniformed service personnel;
- Incorporated the “Wounded Warrior Act,” which includes provisions from both the Senate- and House-passed bills to improve healthcare and benefits for recovering veterans, recovering service members and their families, and begin the process of reform of the Department of Defense (DOD) and Department of Veterans Affairs (VA) disability evaluation systems;
- Required private security contractors operating on the battlefield in Iraq and Afghanistan to comply with DOD regulations and rules on the use of force, as well as orders and directives from combatant commanders regarding force protection, security, health, safety, and interaction with local nationals;
- Established a Commission on Wartime Contracting in Iraq and Afghanistan to study and investigate federal agency contracting for reconstruction, logistics support, and security functions in those countries, and make recommendations as to how contracting processes could be improved in the future;
- Strengthened oversight of reconstruction activities in Afghanistan by establishing a Special Inspector General for Afghanistan Reconstruction, modeled after the Special Inspector General for Iraq Reconstruction; and
- Repealed the authority of DOD to establish a new labor relations system;

restored collective bargaining and appeals rights; and allowed DOD to continue efforts to develop and implement a new pay-for-performance system, but only if the system is implemented in a manner that is consistent with existing labor relations requirements;

Improvements in compensation and quality of life for the men and women in uniform, including:

- Authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel;
- Authorizing payment of combat-related special compensation to service members medically retired for a combat-related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation;
- Reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on active duty under certain mobilization authorities;
- Enhancing reserve education assistance benefits, including authorizing service members eligible for education benefits under the Reserve Education Assistance Program to use those benefits for 10 years after separation, allowing separated service members to regain eligibility by rejoining a reserve component; and authorizing eligibility for increased benefits by aggregating three-years of qualifying service or more; and
- Extending the prohibition or increase in TRICARE fees for retirees and reservists and increasing funds for the Defense Health Program.

The Conference Report includes portions of the Senate- and House-passed legislation to improve services for wounded warriors. This legislation reflects close collaboration between the Committees on Armed Services and Veterans' Affairs. Some of the Conference Report's provisions would:

- Require DOD and VA to jointly develop a comprehensive policy on improvements to care, management, and transition of recovering service members in an outpatient status;
- Expand treatment and research for traumatic brain injuries, post-traumatic stress disorder, and traumatic eye injuries;
- Guarantee combat veterans mental health evaluations within 30 days of their request;

- Require DOD to use the VA Schedule for Rating Disabilities in determining service member disabilities;
- Increase from two to five years the period during which recently separated combat veterans may seek care from the VA;
- Require DOD to use the VA presumption of sound condition standard in establishing eligibility of service members for disability retirement; and
- Increase leave under the Family Medical Leave Act for caregivers of seriously injured service members from 12 to 26 weeks.

The conferees included the Acquisition Improvement and Accountability Act of 2007, which would improve the management and oversight of DOD acquisition programs. Specifically, the conference report would:

- Require the private security contractors operating on the battlefield in Iraq and Afghanistan to comply with DOD regulations and rules on the use of force, as well as orders and directives from combatant commanders regarding force protection, security, health, safety, and interaction with local nationals;
- Establish a Commission on Wartime Contracting in Iraq and Afghanistan to study and investigate federal agency contracting for reconstruction, logistics support, and security functions in those countries, and make recommendations as to how contracting processes could be improved in the future;
- Establish a defense acquisition workforce development fund to provide a minimum of \$300 million in Fiscal Year 2008, and increasing amounts thereafter, to ensure that DOD has the people and the skills needed to effectively manage DOD's contracts;
- Strengthen statutory protections for contractor employees who blow the whistle on waste, fraud and abuse on DOD contracts by providing, for the first time, a private right of action in federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests;
- Authorize for reservists an increase to 130 the annual number of inactive duty points that may be credited toward the computation of retired pay for non-regular service; and
- Tighten the rules for DOD acquisition of major weapon systems and subsystems, components and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.

The conferees included several provisions designed to enhance the management of DOD. Specifically, these provisions would:

- Strengthen oversight of reconstruction activities in Afghanistan by establishing a Special Inspector General for Afghanistan Reconstruction, modeled after the Special Inspector General for Iraq Reconstruction;
- Repeal the authority of DOD to establish a new labor relations system and restore collective bargaining and appeals rights; and allow the Department to continue efforts to develop and implement a new pay-for-performance system, but only if the system is implemented in a manner that is consistent with existing labor relations requirements;
- Tighten the rules for competition between federal employees and private contractors, to ensure that federal employees are given fair consideration for work to be performed for the Department of Defense; and
- Provide that the Deputy Secretary of Defense is the Chief Management Officer of DOD, and establish a full-time position of Deputy Chief Management Officer, with the rank of Under Secretary, to ensure continuous top-level attention to the management problems of the Department.

Ensuring DOD provides needed equipment and has authorities necessary to protect our deployed forces, including:

- Adding over \$17 billion for all known Service and Special Operations Command (SOCOM) requirements for mine resistant ambush protected (MRAP) vehicles, that improve protection for our troops exposed to the improvised explosive device (IED) threat in Iraq and Afghanistan;
- Funding over \$4 billion for the Joint Improvised Explosive Device Defeat Office (JIEDDO), directing JIEDDO to invest at least \$50.0 million in blast injury research and over \$150.0 million for the procurement of IED jammers for the Army;
- Authorizing FY08 end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, which is an increase of 13,000 for the Army and 9,000 for the Marine Corps;
- Requiring the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs; and
- Amending the Immigration and Nationality Act to allow certain spouses and

children of service members residing under orders in foreign countries to treat their time accompanying the service member as residence in the United States for the purpose of satisfying citizenship requirements.

Promoting the transformation of the armed forces to meet the threats of the 21st century, including:

- Requiring the Secretary of Defense to obligate sufficient annual amounts to develop and procure a competitive propulsion system for the Joint Strike Fighter (JSF) program, in order to conduct a competitive propulsion source selection. Also adding \$196.9 million to the Joint Strike Fighter program in fiscal year 2008 for this effort, but not recommending reductions to the JSF budget to pay for the competitive engine program;
- Authorizing construction for one Army High Speed Vessel and five Navy Battle Force warships, including the first ship of the CVN-21 aircraft carrier class;
- Providing multi-year procurement authority for fiscal year 2009-2013 Virginia class submarines, and adding \$588 million in advance procurement funding to support buying an additional submarine in 2010;
- Adding \$300 million in advance procurement funding for 3 T-AKE class supply ships, and \$50 million in advance procurement for a tenth LPD-17 class amphibious ship;
- Adding \$2.28 billion for procurement of 8 additional C-17 Globemaster strategic lift aircraft;
- Increasing investments in defense science and technology (S&T) programs, for a total authorization of nearly \$11 billion; and
- Adding \$51 million to the budget request to provide increased space situational awareness capabilities to address concerns raised as a result of the recent Chinese kinetic anti-satellite weapons test.

Conference actions in the area of non-proliferation and cooperative threat reduction included:

- Authorizing an increase of \$230 million to the amount requested for the Department of Energy (DOE) non-proliferation programs;
- Authorizing an increase of \$80 million for DOD's Cooperative Threat Reduction (CTR) Program; and

- Expanding the CTR program to countries outside of the former Soviet Union and adopting provisions that would repeal all of the required annual certifications.

Conference actions in the area ballistic missile defense included:

- Authorizing \$10.1 billion for ballistic missile defense, a net reduction of \$331 million below the budget request. The conference continued to focus on effective near-term capabilities against existing short- and medium-range threats by authorizing an additional \$120 million for such systems; and
- Authorizing provisions to improve the budgeting, acquisition, and oversight of missile defense programs, and to limit the use of funds for construction and deployment activities for the proposed European missile defense deployment until the governments of Poland and the Czech Republic give final approval of any bilateral deployment agreements negotiated with the United States and Congress receives an independent assessment of options for missile defense in Europe.

Other Provisions of note, included:

- Addressing security in the Afghanistan-Pakistan border region by requiring a report on Pakistan's efforts to eliminate safe havens for violent extremists on its territory and to prevent cross-border incursions by those extremists into Afghanistan;
- Authorizing DOD to provide counter-drug support to Mexico and the Dominican Republic;
- Renewing authority for SOCOM to provide support to foreign forces, groups or individuals who are supporting or facilitating ongoing military operations by U.S. special operations forces; and
- Expanding the Iraqi Special Immigrant Visa (SIV) program and creating a Priority 2 refugee category for those Iraqis who have provided assistance to the United States.

A full summary of the bill is available at <http://armed-services.senate.gov/press.htm>.

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SENATE AND HOUSE COMPLETE CONFERENCE ON NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

The Conference Report addresses each of the following seven priorities established by Chairman Levin and Ranking Member McCain when the Senate Armed Services Committee began its work on the Fiscal Year (FY) 2008 National Defense Authorization Act:

- Provide fair compensation and first rate health care, and improve the quality of life of the men and women in the armed forces (active duty, National Guard and Reserves) and their families;
- Provide our servicemen and women with the resources, training, technology, equipment (especially force protection) and authorities they need to participate in combat and stability operations, particularly in Iraq and Afghanistan;
- Reduce our Nation's strategic risk by starting and, if possible, accelerating the restoration of the readiness of the military services to conduct the full range of their assigned missions;
- Improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs;
- Improve the ability of the armed forces to meet nontraditional threats, including terrorism and weapons of mass destruction;
- Promote the transformation of the armed forces to meet the threats of the 21st

century; and

- Conduct aggressive oversight of the Department's programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations. Improve the efficiency of Defense Department programs and activities, and apply the savings toward high-priority programs.

FUNDING LEVELS

The funding in the "base budget" portion of the conference agreement is consistent with the Fiscal Year (FY) 2008 budget resolution adopted by Congress on May 17, 2007, which fully funded the \$507 billion requested for national defense in the President's FY08 budget, excluding funds requested for operations in Iraq and Afghanistan. The February budget request was submitted in two parts, a base budget request of \$507 billion and a war-related funding request of \$141.8 billion. The President submitted budget amendments for additional war-related funding in July and October that increased the amount requested for operations in Iraq and Afghanistan and related purposes by \$47.7 billion, to \$189.3 billion. The conference agreement fully authorizes this amount, in addition to the \$507 billion requested for the base budget.

SUBCOMMITTEE ON PERSONNEL

The conferees continued to support recruiting and retention goals for military personnel, enhance compensation and benefits improving the quality of life for Department of Defense (DOD) personnel, and provide for the severely wounded and the families of military personnel killed on active duty. In the area of personnel, the conferees:

- Authorized FY08 active duty end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, which is an increase of 13,000 for the Army and 9,000 for the Marine Corps.

To improve compensation and quality of life for the men and women in uniform, the conferees agreed to several provisions, including:

- Authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel - half of a percent above the administration's request;
- Authorizing payment of over 25 types of bonuses and special pays aimed at encouraging enlistment, re-enlistment, and continued service by active-duty and reserve military personnel;
- Authorizing payment of combat-related special compensation to service members medically retired for a combat-related disability. Payment is equal to

the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and Department of Veterans Affairs (VA) disability compensation;

- Authorizing veterans with service-connected disabilities rated as total due to unemployability to receive concurrent receipt of retired pay and veterans' disability compensation as of December 31, 2004;
- Authorizing a monthly survivor indemnity allowance to surviving spouses or former spouses of deceased service members who are denied the full amount of their annuity under the Survivor Benefit Plan (SBP) due to the offset required by the receipt of Dependency and Indemnity Compensation (DIC) from the VA;
- Enhancing reserve retirement benefits by reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days of service on active duty under certain mobilization;
- Authorizing certain service members to sell back up to 30 days of leave under special leave accrual provisions affecting deployed service members and authorizing all service members to carry up to 75 days of leave from one fiscal year to the next; and
- Improving administration and oversight of the Armed Forces Retirement Home.

The Conference Report incorporates provisions of the House-passed Wounded Warrior Assistance Act of 2007 and the Senate-passed Dignified Treatment of the Wounded Warriors Act in a comprehensive package of reforms, policies, and studies to ensure the proper care of our wounded service members. Some of the Conference Report's provisions would:

- Require DOD and VA to jointly develop a comprehensive policy on improvements to care, management, and transition of recovering service members in an outpatient status;
- Require DOD to develop a comprehensive plan on prevention, diagnosis, mitigation, treatment, and rehabilitation of, and research on, traumatic brain injury, Post-Traumatic Stress Disorder (PTSD), and other mental health conditions in members of the armed forces;
- Authorize Centers of Excellence in the prevention, diagnosis, mitigation, treatment, and rehabilitation of traumatic brain injury, post-traumatic stress disorder, and traumatic eye injuries;
- Authorize extended care comparable to care for active-duty members to

recovering service members with severe injuries, if not reasonably available from the VA;

- Authorize reimbursement of travel expenses of retired members with combat-related disabilities for the purpose of follow-on specialty care at a military hospital;
- Authorize respite care and other extended care benefits for seriously injured service members;
- Require the establishment of a Wounded Warrior hotline for reporting of care or facility problems;
- Extend transitional health benefits for service members pending resolution of service-related medical conditions;
- Require fully interoperable electronic personal health information systems or capabilities for DOD and VA, and establish a joint DOD/VA program office to develop and implement interoperable systems;
- Authorize enhanced civilian personnel authorities for DOD for health care professionals for care and treatment of wounded, injured, and other members of the armed forces;
- Require DOD to use VA presumption of sound condition standard in establishing eligibility of service members for disability retirement;
- Require DOD to use the VA Schedule for Rating Disabilities in determining service member disabilities;
- Require the establishment of an independent review board to review the separation of service members with a disability rating of 20 percent or less since September 11, 2001;
- Authorize increase of disability severance pay for certain service members;
- Require establishment of standards for military medical treatment facilities, specialty medical care facilities, and military quarters housing patients;
- Require certifications that medical capabilities at Walter Reed Army Medical Center (WRAMC) will be maintained during transition directed by the 2005 round of base realignment and closure, and guaranteed continued funding of WRAMC;
- Require a National Academy of the Sciences independent study on physical and mental health and other readjustment needs of members and former members of

the armed forces who deployed to Iraq and Afghanistan; and

- Authorize the use of leave transfer program by wounded veterans who are federal civilian employees.

The conference included several provisions to continue to provide top quality health care to service members and their dependents and that would enhance the ability of the services to attract critically short health care personnel, including:

- Requiring DOD to continue surveys of civilian health care providers in TRICARE to improve the adequacy of TRICARE Standard providers, including for members of the Selected Reserve, and creating a new requirement for surveys to determine the adequacy of mental health care providers;
- Authorizing a stipend for reserve family members for continuity of care;
- Limiting DOD costs for prescription drugs dispensed through the TRICARE retail pharmacy program to discounted federal ceiling price;
- Rejecting the administration's proposal to give DOD broad authority to increase TRICARE program cost-sharing amounts for military retirees and their dependents.
- Prohibiting for five years the conversion of military medical and dental billets to civilian positions;
- Authorizing the Secretary of Defense to waive the 8-year minimum service obligation for initial appointments of commissioned officers in critically short health professional specialties;
- Authorizing a new bonus of up to \$2,000 for referring to military recruiters an individual who is commissioned in a health profession;
- Authorizing medical students at the Uniformed Services University of the Health Sciences and persons participating in the Armed Forces Health Professions Scholarship and Financial Assistance Programs to serve in a higher pay grade if they have prior commissioned service and meet specified promotion criteria;
- Requiring the Department to submit a plan for a DOD School of Nursing and authorizing the Secretary of Defense to establish such a school;
- Authorizing the Secretary of Defense to pay an accession bonus of up to \$20,000 to participants in the Armed Forces Health Professions Scholarship and Financial Assistance Program;

- Authorizing an increase from \$50,000 to \$75,000 in the maximum incentive special pay and multi-year retention bonus for medical officers; and
- Authorizing an increase in dental officer additional special pay for military dentists with less than 3 years of service from \$4,000 to \$10,000 and for dental officers with more than 3 but less than 10 years of service from \$6,000 to \$12,000.

The conference committee included provisions to better assist survivors of military personnel by:

- Modifying the death gratuity statute to allow service members to designate in writing any person as the beneficiary in order to give service members the maximum ability to plan for the needs of their survivors.

The conferees also:

- Required the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs;
- Amended the Immigration and Nationality Act to allow certain spouses and children of service members residing under orders in foreign countries to treat their time accompanying the service member as residence in the United States for the purpose of satisfying citizenship requirements;
- Authorized \$45 million in supplemental educational aid to local school districts that are affected by the assignment or location of military families, including \$30 million for supplemental Impact Aid, \$5 million for educational services to severely disabled children, and an additional \$10 million for districts experiencing rapid increases in the number of students due to rebasing, activation of new military units, or base realignment and closure;
- Authorized an increase in previously-approved back pay for certain WWII Navy and Marine Corps POWs to account for rises in the Consumer Price Index;
- Authorized certain reserve component members to be reimbursed for travel expenses to an inactive duty training location outside of normal commuting distances;
- Required an assessment of available resources for military dependent children with autism, and authorized pilot programs to improve autism services;
- Required the establishment of a national combat veteran reintegration program, to be known as the Yellow Ribbon Reintegration Program, to provide families of

deployed service members with information, services, referrals, and proactive outreach throughout the entire deployment cycle;

- Required a study to determine the most effective means to enhance and improve family support programs for families of the regular and reserve components of the armed forces before, during, and after deployment;
- Authorized the consolidation of over 60 special pays and incentive pays into 8 pay categories, including: bonuses for enlisted members; bonuses for officers; bonuses and incentive pays for nuclear officers; bonuses and incentive pays for aviation officers; bonuses and incentive pays for officers in health professions; hazardous duty pays; assignment pays and special duty pays; and skill incentive pays and proficiency bonuses; and
- Authorized an increase to 130 the annual number of inactive duty points that may be credited toward the computation of retired pay for non-regular service

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

The conferees' efforts reflected an emphasis on supporting projects and programs that are important to the near-term readiness of the Army, Navy, Air Force, and Marines, both active and reserve components.

To address the readiness needs of the military, the conferees included:

- \$220.4 billion to meet the services' operation and maintenance requirements to support the combat operations, improve the readiness of deploying and non-deployed forces, and to support the Army and Marine Corps plans to increase their FY08 end strengths;
- \$5.1 billion in procurement of ammunition for all services, including funds for ammunition plant modernization and improvement; and
- An additional \$16 million to help create buffer zones around military installations to protect and enhance military training ranges.

The conferees included the Acquisition Improvement and Accountability Act of 2007, which would improve the management and oversight of DOD acquisition programs. Specifically, the conference report would:

- Require private security contractors operating on the battlefield in Iraq and Afghanistan to comply with DOD regulations and rules on the use of force, as well as orders and directives from combatant commanders regarding force

protection, security, health, safety, and interaction with local nationals;

- Establish a Commission on Wartime Contracting in Iraq and Afghanistan to study and investigate federal agency contracting for reconstruction, logistics support, and security functions in those countries, and make recommendations as to how contracting processes could be improved in the future;
- Strengthen statutory protections for contractor employees who blow the whistle on waste, fraud, and abuse on DOD contracts by providing, for the first time, a private right of action in federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests;
- Establish a defense acquisition workforce development fund to provide a minimum of \$300 million in FY08, and increasing amounts thereafter, to ensure that DOD has the people and the skills needed to effectively manage their contracts;
- Require increased competition in large "umbrella contracts" awarded by DOD, like the \$20 billion Logistics Civil Augmentation Program (LOGCAP) contract under which DOD acquires logistics support services for troops in Iraq and Afghanistan;
- Clarify the rules applicable to DOD purchases of specialty metals to ensure that the Department has the flexibility that it needs to purchase and accept delivery of major weapon systems;
- Improve the management of DOD's contracts for services by requiring the Department to conduct annual inventories of functions performed under service contracts and periodic management reviews of large service contracts;
- Establish clear rules to ensure that multi-year contracts are entered only when such contracts are in the best interest of DOD and will result in substantial savings for the taxpayer;
- Tighten the rules for DOD's acquisition of major weapon systems and subsystems, components, and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements; and
- Tighten the rules for competition in DOD purchases from Federal Prison Industries to ensure that companies in the private sector have a fair opportunity to offer their products to the Department.

The conferees included several provisions designed to enhance the management of DOD. Specifically, these provisions would

- Repeal the authority of DOD to establish a new labor relations system and restore collective bargaining and appeals rights; and allow the Department to continue efforts to develop and implement a new pay-for-performance system, but only if the system is implemented in a manner that is consistent with existing labor relations requirements;
- Tighten the rules for competition between federal employees and private contractors, to ensure that federal employees are given fair consideration for work to be performed for DOD;
- Provide that the Deputy Secretary of Defense is the Chief Management Officer of DOD, and establish a full-time position of Deputy Chief Management Officer, with the rank of an Under Secretary, to ensure continuous top-level attention to the management problems of the Department;
- Require that each of the military departments appoint a three-star military deputy to the service acquisition executive to assist in managing and overseeing major defense acquisition programs and keep the service chiefs informed on the progress of such programs; and
- Require the Secretary of Defense to carry out a quadrennial roles and missions review, after receiving independent military advice from the Chairman of the Joint Chiefs of Staff, to ensure that the core capabilities and competencies of the Armed Forces are appropriately aligned with their core mission areas.

The conferees also included provisions that would:

- Establish a new Defense Materiel Readiness Board to provide independent advice to the Secretary of Defense and the Congress on how to identify and address critical shortfalls in weapons systems, equipment, and supplies;
- Establish a \$1 billion DOD Strategic Readiness Fund, and authorize the transfer of additional funds, to help address critical readiness shortfalls;
- Establish a Director of Corrosion Control Policy and Oversight; remove layers of bureaucracy by assigning this function directly to office of Under Secretary for Acquisition, Technology and Logistics; and increase this function's oversight and training authority;
- Require DOD to begin measuring and reporting on the readiness of the National Guard to respond to domestic emergencies and major disasters as part of its important public safety and civil support missions;
- Grant authority to the Secretary of the Army to conduct a pilot program using maintenance and reset resources from its working capital fund for certain system

improvements. This program allows the Army to demonstrate whether the use of working capital funds during its massive equipment reset effort could decrease procurement lead times, help stabilize workload requirements at the depots, improve supplier coordination with the private sector, and insert new technologies that improve the Army's major weapons systems and end items;

- Extend authority for Army depots, arsenals, and ammunition plants to enter cooperative agreements and partnerships with commercial entities; and
- Allow troops to keep their issued combat uniforms when they return from deployment.

In the area of military construction, the conferees:

- Added an additional \$365 million investment in our infrastructure above the military construction budget request to repair, replace, and modernize our aging defense facilities and improve the quality of life and the productivity of our military;
- Included a provision to improve the accountability of the Department's use of leased space; and
- Authorized the Army to relocate some of the incoming Base Realignment and Closure (BRAC) Commission workforce at Fort Belvoir, Virginia, to a site adjacent to public transportation to promote "smart-growth" and reduce congestion.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

The conferees focused on supporting and enhancing DOD efforts to: combat terrorism globally; defend the homeland; counter the threat of proliferation of weapons of mass destruction; transition technology from the laboratory to the battlefield; and improve the Armed Forces' ability to meet existing and emerging threats.

In the area of science and technology, the conferees increased funding for development of advanced technologies to support current operational needs and develop new military capabilities to defeat emerging threats, for a total authorization of nearly \$11 billion, including:

- Adding nearly \$50 million for advanced manufacturing research and processes to reduce the production costs of weapons systems, to improve the Department's ability to surge production of critical items - such as body and vehicle armor and to preserve the domestic defense industrial base;

- Adding \$70 million in research and technologies to enhance the force protection of deployed units, including advanced materials for vehicle and body armor, active protection systems that shoot down incoming rocket propelled grenades, and sniper detection systems;
- Adding nearly \$75 million for advanced energy and power technologies, including programs to develop fuel cells, hybrid engines, and biofuels for military systems;
- Adding nearly \$65 million for defense-related research performed at our nation's universities, which develops next generation military capabilities, while training tomorrow's scientists and engineers; and
- Adding over \$50 million for research on combat casualty care and military medical technologies, including work to address blast injuries and brain trauma.

In support of the Department's science and technology enterprise, the conferees:

- Authorized a provision that would expand the nanotechnology research and development efforts of DOD, to include enhanced efforts in nanomanufacturing and the incorporation of nanotechnologies into defense systems;
- Authorized a provision that would require the development of a strategic plan for defense manufacturing technology development to ensure that the defense industrial base has the most advanced manufacturing processes available to support the production of defense systems at the lowest cost possible, while being responsive to surge production demands driven by military needs; and
- Authorized a number of provisions to enhance the performance of defense laboratories, including providing more flexibility in funding construction projects, enhance access to the labs by the defense industrial base, and extending personnel flexibilities under the existing lab demonstration program.

In the area of non-proliferation and cooperative threat reduction, the conferees:

- Authorized an increase of \$230 million to the amount requested for Department of Energy non-proliferation programs;
- Authorized an increase of \$80 million for DOD Cooperative Threat Reduction (CTR) Program; and
- Expanded the CTR program to countries outside of the former Soviet Union and adopted provisions that would repeal all of the required annual certifications.

In the area of Special Operations Forces, the conferees:

- Added nearly \$150 million to meet unfunded requirements of the Special Operations Command (SOCOM) for Mine Resistant Ambush Protected (MRAP) vehicles;
- Renewed authority for the SOCOM to provide support to foreign forces, groups or individuals who are supporting or facilitating ongoing military operations by U.S. special operations forces;
- Directed the Comptroller General to review the ongoing reorganization of the office of the Undersecretary of Defense for Policy, especially as it pertains to the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict;
- Added over \$25 million in funding for SOCOM to meet critical language and cultural awareness training requirements, and for various SOCOM science and technology programs; and
- Included a provision codifying the position of command acquisition executive for SOCOM.

In the area of combating terrorism, the conferees:

- Directed the Secretary of State to raise the reward for the capture, death or information leading to the capture or death of Osama bin Laden to \$50 million, and required a report on the progress being made to bring Osama bin Laden and other Al Qaeda leaders to justice;
- Improved DOD's authority to provide rewards for assistance in combating terrorism; and
- Required a report on the threats posed to the United States by ungoverned areas, especially as they relate to terrorist groups and individuals targeting the United States and its allies.

The conferees also took steps to promote the development of DOD's language capabilities:

- Directing the Comptroller General to review DOD programs to improve language and cultural awareness; and
- Requiring a report on language capabilities of personnel in the Armed Forces and DOD.

In the area of counter-drug activities, the conferees:

- Authorized DOD to provide counter-drug support to Mexico and the Dominican Republic;
- Authorized over \$900 million for DOD drug interdiction and counter-drug activities; and
- Extended the authority for military joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities.

In the area of chemical and biological defense and chemical demilitarization, the conferees:

- Authorized an increase of \$30 million for procurement of chemical detection equipment for the Army National Guard that can be used both for overseas deployments and for domestic consequence management missions;
- Authorized an increase of \$57 million to the chemical demilitarization program budget request. These funds would help avoid further delays in destroying the U.S. stockpile of chemical weapons, as required by law; and
- Expressed the sense of Congress that the United States should make every effort to meet its legal obligation under the Chemical Weapons Convention to destroy its entire stockpile of chemical weapons by April 2012, or as soon as possible thereafter, and that DOD should budget sufficient funds to allow the most expeditious destruction of the chemical weapons stockpile, consistent with the legal requirement to protect public health, safety, and the environment. The provision would require biannual reports explaining options and funding that would be needed to accelerate chemical weapons destruction.

In the area of homeland defense, the conferees:

- Required an advisory panel to assess the capabilities of DOD to provide support to civil authorities for consequence management in the event of a chemical, biological, radiological, nuclear, or high-yield explosive (CBRNE) incident in the United States.

SUBCOMMITTEE ON STRATEGIC FORCES

The conferees continued efforts to strengthen DOD programs for national security space, strategic forces, ballistic and cruise missile defense, and intelligence,

reconnaissance and surveillance programs, as well as Department of Energy (DOE) nuclear weapons and environmental management programs.

In an Intelligence Community related matter, the conferees:

- Required the director or head of any department, agency, or element of the intelligence community to respond to the Armed Services Committees within 45 days of receiving a written request from the Chairman or Ranking Member of the Armed Service Committees for existing intelligence assessments, reports, estimates, or legal opinions.

In the area of missile defense, the conferees:

- Authorized \$10.1 billion for ballistic missile defense, a net reduction of \$331 million below the budget request. The conference continued to focus on effective near-term capabilities against existing short- and medium-range threats by authorizing an additional \$120 million for such systems;
- Reduced the budget request of \$310.4 million for the proposed European missile defense deployment by \$85 million for site activation and construction work, to reflect the schedule of negotiations with the host nations, but authorized the remaining budget request, with availability of funding for some activities being subject to meeting certain conditions;
- Authorized an addition of \$65 million for the Aegis Ballistic Missile Defense (BMD) program to upgrade Standard Missile-3 (SM-3) interceptors, and accelerate work on the Aegis BMD Signal Processor and Open Architecture program;
- Authorized an addition of \$25 million for co-production of the Arrow missile, and \$10 million to study a follow-on to Israel's Arrow system, and whether an existing U.S. system would be a suitable option;
- Authorized an increase of \$20 million for accelerated joint development of a short-range ballistic missile defense (SRBMD) system for Israel;
- Reduced funding for the Airborne Laser program by \$35 million;
- Reduced funding for BMD Special Programs by \$125 million, and for BMD Systems Core by \$65 million; and
- Reduced the budget request for the Space Tracking and Surveillance System by \$100 million, and authorized no funds for the proposed space test-bed.

The conferees also included a number of legislative provisions relating to

the missile defense program that would:

- Extend by five years the requirement for the Comptroller General to assess the ballistic missile defense program annually;
- Require DOD, starting in FY09, to submit the budget request for the Missile Defense Agency (MDA) using regular budget categories (research and development, procurement, and military construction), and make certain acquisition and oversight improvements;
- Limit the use of funds for construction and deployment activities for the proposed European missile defense deployment until certain conditions are met, primarily the approval of any negotiated bilateral agreements with the host nations. Other activities would be permitted;
- Require a certification from the Secretary of Defense that the Block 2006 Ground-based Midcourse Defense (GMD) system is operationally effective before deploying more than 40 Ground-Based Interceptors (GBIs) at Fort Greely, Alaska;
- Ensure that the Director of Operational Test and Evaluation has full access to missile defense test and evaluation data; and
- State the policy of the United States to develop, test, and deploy an effective defense against Iranian ballistic missile threats, and to encourage the North Atlantic Treaty Organization to accelerate its missile defense efforts.

The conferees supported improved national security space capabilities for satellite communications, missile warning, space situational awareness and surveillance, space control, and reduced space system vulnerability. Specifically, the conferees:

- Added \$125 million for advanced procurement for a fourth Advanced Extremely High Frequency (AEHF) communications satellite;
- Added \$6.1 million for small satellite efforts to provide operationally responsive space support capability for the warfighter;
- Provided an additional \$51 million for space situational awareness, including Space Fence, Rapid Attack Identification Detection and Reporting System (RAIDRS), and space control technology;
- Reduced GPS III funding by \$100 million. The conference remains fully supportive of GPS III as a much needed next generation capability for improved

precision, navigation, and timing;

- Reduced funding for Transformational Satellite Communications System (TSAT) by \$150 million. The conference remains fully supportive of TSAT as a much needed communications capability that will significantly increase capacity for all users;
- Provided \$75 million for the Alternative Infrared Satellite System (AIRSS) to explore options for next generation infrared technology to be used in a follow-on to the SBIRS program when appropriate;
- Authorized funding for the development and evaluation of space-based radar capabilities, but at a level considerably lower than the request. The conferees direct the administration to conduct a comprehensive analysis of multiple candidate technology solutions to this military and intelligence requirement; and
- Directed the Secretary of Defense in conjunction with the Director of National Intelligence to develop a space protection strategy.

The conferees addressed strategic systems as follows:

- Refocused efforts to achieve a prompt global strike capability into a single coordinated program and included \$100 million for conventional prompt global strike in a defense-wide line;
- Directed the Secretary of the Air Force to maintain 76 B-52 bomber aircraft to ensure a total of 56 combat-coded aircraft and further directed the Secretary to maintain all 76 B-52s in a non-storage state;
- Directed the Secretary of Defense to submit a report on the retirement schedule for remaining nuclear cruise missiles;
- Included a requirement for a new Nuclear Posture Review (NPR) to be submitted with the Quadrennial Defense Review in December 2009. In addition, the conference report establishes a Congressional commission to review the full range of strategic and nuclear options and policies and to make recommendations to both Congress and the administration on the future strategic posture of the US;
- Continued to support the Stockpile Stewardship Program and modernization of the nation's nuclear weapons complex. The committee also supports efforts to enhance the security posture of the DOE nuclear sites, reduce deferred maintenance, and complete the environmental cleanup of Cold War legacy sites. Specifically, the panel:

- Provided \$66 million in funding for the Reliable Replacement Warhead (RRW), a reduction of \$22.8 million, and restricted RRW program activities to phase 2A activities only;
 - Added \$15.1 million for the National Ignition Facility;
 - Added \$20 million to enhance security at DOE nuclear sites; and
 - Added \$46.8 million to reduce deferred maintenance within the nuclear weapons complex;
- Directed the Comptroller General to submit a report to the congressional defense committees assessing issues related to management of security protection forces at DOE sites. The provision further directs the Secretary of Energy to submit a report on these same issues, as well as an analysis of the Comptroller General's report; and
- Directed the Secretary of Energy to submit a report on the status of environmental cleanup initiatives, including progress made in reducing environmental risks at DOE sites. The provision further requires the Comptroller General to provide a review of the DOE report.

SUBCOMMITTEE ON SEAPOWER

The conferees focused on the needs of the Navy, Marine Corps, and strategic mobility forces. The conferees placed particular emphasis on support for Marines and naval forces engaged in combat operations, the continuing transformation of the Navy, and the strategic airlift requirements for the future force. Specifically, the conferees:

- Added over \$2.6 billion for Mine Resistant Ambush Protected (MRAP) vehicles. This addition will support all known requirements of the Navy and Marine Corps for these vehicles that improve protection for our troops exposed to the improvised explosive device (IED) threat in Iraq and Afghanistan;
- Authorized construction for one Army High Speed Vessel and five Navy Battle Force ships, including the first ship of the CVN-21 aircraft carrier class;
- Provided multi-year procurement authority for fiscal years 2009-2013 Virginia class submarines;
- Added \$588 million in advance procurement funding to support buying an additional Virginia class submarine in 2010. There is no requirement that the Navy allocate additional funds to buy the second submarine in FY10. If the Navy chooses not to do that, the funds could be used to support economic order quantity buys of material in FY08, which could yield additional savings for the multi-year procurement and reduce pressure on the outyear shipbuilding budget;

- Added \$300 million in advance procurement funding for 3 T-AKE class supply ships, and \$50 million in advance procurement for a tenth LPD-17 class amphibious ship;
- Reduced \$571 million in funding for the Littoral Combat Ship (LCS) program requiring that future ships of the program be competitively awarded with added measures to control cost. This reflects a response to the more than doubling of the price of these ships, schedule delays, and delays in promulgating an acquisition strategy;
- Established a policy that future major combatants of the strike forces of the United States Navy be nuclear powered;
- Added \$2.28 billion for procurement of 8 additional C-17 Globemaster strategic lift aircraft;
- Supported critical efforts to efficiently and effectively modernize the force; including C-5 Galaxy strategic airlift aircraft Reliability Enhancement Re-engineing Program, Arleigh Burke (DDG-51) class destroyer modernization, and Navy Open Systems Architecture; and
- Reduced the request for the Marine Corps Expeditionary Fighting Vehicle by \$35 million due to execution delays of authorized and appropriated funds.

SUBCOMMITTEE ON AIRLAND

The conferees emphasized Army transformation and rotary-wing aircraft and Navy, Marine Corps and Air Force tactical aviation fixed programs. The panel also exercised acquisition oversight responsibilities with specific reviews of the Army's Future Combat Systems and Joint Strike Fighter programs. Specifically, the conferees:

- Authorized over \$14 billion for the procurement of the MRAP Vehicles;
- Authorized multi-year procurement for Abrams Tank, Bradley Fighting Vehicle, and Chinook Helicopter upgrades;
- Withheld all funding for the procurement of the Stryker Mobile Gun System (MGS) until 30 days after the date on which the Secretary of the Army certifies to Congress that the results of the initial operational test and evaluation indicate that the MGS is operationally effective, suitable and survivable. The Secretary of Defense may waive the funding limitations if the Secretary determines that further procurement of MGS is in the national security interest of the United States;

- Required a comparative live fire test of appropriate active protection systems and an assessment of current and developing foreign and domestic active protection systems (APS) to assess technologies and analyze operational impact;
- Required a review of strategic and tactical airlift requirements and an analysis of the best ways of meeting those requirements;
- Limited the retirements of C-130E/H and KC-135E aircraft;
- Required the Air Force to conduct a fee-for-service aerial refueling pilot program;
- Directed specifically that the Secretary of Defense's quadrennial roles and missions review (mentioned elsewhere) address the mission of providing fixed-wing airlift support for intra-theater logistics to determine the appropriate allocation of the Joint Cargo Aircraft platform;
- Directed the Secretary of Defense to obligate sufficient annual funding to develop and procure a competitive propulsion system for the Joint Strike Fighter (JSF) program, in order to conduct a competitive propulsion source selection;
- Added \$196.9 million to the JSF program in FY08 for this purpose but did not recommend reductions to the JSF budget to pay for the competitive engine program;
- Realigned funding from the cancelled E-10A aircraft development program to begin a program to backfit the JSTARS aircraft with the improved multi-platform radar technology insertion program (MP-RTIP) radar;
- Included a provision which prohibits the closure of the Army Tactical Missile System production line until after submission of a report containing the Secretary of the Army's certification that the long-range surface-to-surface and counter-battery mission of the Army can be adequately performed by other Army weapons systems or by other elements of the armed forces and containing a plan to mitigate any shortfalls in the industrial base that would be created by the closure; and
- Required an operational test and evaluation of the Future Combat Systems (FCS) network in a realistic environment simulating operational conditions. No funds may be obligated for low-rate initial production or full-rate production of FCS manned ground vehicles until 60 days after the submission of a required report on the testing by the Director of Operational Test and Evaluation (DOT&E). The provision excludes the Non-Line-of-Sight Cannon from the funding prohibition.

GENERAL PROVISIONS AND OTHER MATTERS

The conference also took a number of other actions, including:

- Recognizing the significant changes in the roles and missions of the National Guard and Reserve, by:
 - Increasing the grade of the Chief of the National Guard Bureau from lieutenant general to general and expanding the duties of and eligibility requirements for this position.
 - Requiring the Secretary of Defense, in consultation with the Secretaries of the Army and Air Force and the Chairman of the Joint Chiefs of Staff, to prescribe the charter for the National Guard Bureau.
 - Enhancing the authority for National Guard and Reserve general and flag officers to serve on active duty.
 - Authorizing federal civilian employees who are in the National Guard or Reserves to continue their coverage under the Federal Employees Group Life Insurance for up to 24 months when mobilized.

The conference report also included a number of provision related to the ongoing war in Iraq, including:

- Expressing the sense of Congress that a failed state in Iraq will have a negative impact on the Middle East and American interests in the region, and that the United States should pursue strategies to prevent a failed state in Iraq or contain the negative effects of a failed state in Iraq;
- Expressing the sense of Congress that the United States should actively support a political settlement in Iraq based on the final provisions of the Constitution of Iraq that create a federal system of government and allow for the creation of federal regions, consistent with the wishes of the Iraqi people and their elected leaders. Policies supported by the United States in the pursuit of a political settlement in Iraq should be consistent with the wishes of the Iraqi people and should not violate the sovereignty of the nation of Iraq;
- Requiring a report on the implementation of the Multi-National Forces-Iraq/United States Embassy Baghdad Joint Campaign Plan and efforts to achieve political reform in Iraq. The provision amends the United States Policy in Iraq Act, section 1227(c) of the National Defense Authorization Act for FY06 (Public Law 109-163), requiring a detailed description of the Joint Campaign Plan, including those conditions which could prompt changes to levels of United States armed forces or missions, and the status of planning for those changes;
- Amending Section 9010 of the DOD Appropriations Act for FY07 (P.L. 109-289), requiring additional information on the Iraqi Security Forces in the report, Measuring Stability and Security in Iraq, required by that Act;

- Requiring the President to implement a policy to track and monitor the defense articles provided to the government of Iraq and other individuals and groups in Iraq; and
- Authorizing the Commanders Emergency Response Program (CERP) for Iraq and Afghanistan.

The conference report also included a number of matters relating to foreign nations, including:

- Repealing limitations on military assistance under the American Servicemembers Protection Act of 2002;
- Allowing victims of terrorism to seek redress in U.S. courts against foreign states whose officials or agents commit acts of terrorism, by establishing a private cause of action under the sovereign immunity exception for state sponsors of terrorism. The bill would also strengthen the ability of victims of terrorism to attach the property interests of state sponsors of terrorism in execution of a judgment obtained against that state;
- Directing the President to report on family reunions between U.S. citizens and their relatives in North Korea;
- Directing the Secretary of Defense to include information on asymmetric capabilities in the annual report on the military power of the People's Republic of China;
- Extending the participation of DOD personnel in NATO military centers of excellence;
- Authorizing DOD to provide assistance to foreign nations that are assisting the U.S. government in recovery and accounting activities for missing U.S. government personnel;
- Expanding the Iraqi Special Immigrant Visa (SIV) program and creating a Priority 2 refugee category for those Iraqis that have provided assistance to the United States;
- Addressing security in the Afghanistan-Pakistan border region by requiring a report on Pakistan's efforts to eliminate safe havens for violent extremists on its territory and to prevent cross-border incursions by those extremists into Afghanistan;
- Extending DOD's authority to provide services or transfer funds to the State

Department for police training and stabilization assistance;

- Directing the President, through the Secretary of Defense, to report to Congress on a comprehensive strategy for security and stability in Afghanistan. The report would include detailed information on key elements of that strategy, including building the capacity of Afghanistan Security Forces; promoting reconstruction; defining a DOD counter-narcotics strategy; fighting public corruption; and promoting regional cooperation in support of Afghanistan;
- Extending and expanding DOD's authority to lease or lend equipment for personnel protection and survivability to allies and coalition partners participating in combined military operations with U.S. forces; and
- Directing the Comptroller General to assess the implementation of the Global Peace Operations Initiative, including whether it would have an impact on participation in upcoming peace operations.

Transparency

Consistent with longstanding practice, the conference report identifies all funding provided for programs, projects and activities that were not requested in the President's budget. For the first time, the report will also identify the name of Members requesting such funding, including the intended recipient/location (if any). The conferees will also make this information available to the general public in an electronically searchable format at least 48 hours before consideration of the conference report.

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